IBEW LOCAL 569

SAN DIEGO ELECTRICAL ANNUITY PLAN
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SAN DIEGO, CA 92123
(858) 569-6322
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NECA
San Diego Chapter
National Electrical
Contractors Association Inc.

Thank you for your interest in the **San Diego Electrical Annuity Plan / 401(k) Plan** (the "Plan"). The Board of Trustees is pleased to provide the enclosed materials regarding participation in and administration of the Plan.

- **Important Questions and Answers** – Provides general information regarding the Plan, contribution provisions, investment considerations, and commonly asked questions.
- **Enrollment Form** – Must be completed and returned to the Trust Office to establish participation and commence employee elective contributions through payroll deduction.
- **Beneficiary Designation Form** – Used to designate primary and contingent beneficiaries who may be entitled to receive benefits payable from your Plan account upon your death, subject to the terms of the Plan and applicable law.

Please review all materials carefully. When you are ready to enroll, please complete and return the required Enrollment Form and Beneficiary Designation Form to the Trust Office.

IMPORTANT NOTICE REGARDING 401(k) ELECTIONS

If you indicated on a Local 569 Job Referral Slip that you wish to have a specified percentage of your wages contributed to the 401(k) Plan, such election does not, by itself, constitute enrollment in the Plan. You must complete and submit all required enrollment documents to the Trust Office before your participation can be established.

CHANGE OF EMPLOYER / HOW TO CHANGE DEDUCTION AMOUNT

Notify the Trust Office each time you change employers so your 401(k) contributions can be coordinated with your new employer's payroll. To change your current deduction amount, submit your request in writing. Contact the Trust Office: (858) 569-6322, extension 809.

RECIPROCAL CONTRIBUTIONS (WORKING OUT OF TOWN)

If you are working outside the area as a traveler pursuant to a reciprocal agreement, pension contributions received on your behalf that exceed the current hourly pension contribution rate applicable to a journeyman under the Inside Wireman's Agreement will be forwarded to your San Diego Electrical Annuity Plan / 401(k) account, subject to the terms of the applicable reciprocal agreement and Plan provisions.

To ensure that reciprocal contributions are properly processed, please contact the Trust Office to confirm that you are enrolled in the **Electronic Reciprocal Transfer System (ERTS)**. If you are already enrolled in ERTS, no further action is required.

For general questions regarding the Plan, please contact the Trust Office at:
(858) 569-6322, extension 809 or (800) 632-2569, extension 809

Board of Trustees

Important Questions and Answers

Q: Why might a 401(k) plan be preferable to an IRA?

A: A 401(k) plan generally allows for higher annual contribution limits than an IRA. Contributions to our 401(k) Plan are also made through payroll deductions on a pre-tax basis, which may reduce your taxable income.

Q: How much can I contribute to a 401(k) each year?

A: For 2026, you may contribute up to $24,500 in elective contributions to the Plan, subject to applicable IRS limits. Participants aged 50 and older may also be eligible to make additional catch-up contributions.

Contribution limits are adjusted periodically by the IRS.

Q: Who governs the 401(k) Plan?

A: The Plan is governed by the Plan documents and applicable federal law, including rules established by the Internal Revenue Service (IRS) and the U.S. Department of Labor.

Q: When am I eligible to participate?

A: You are eligible to participate immediately if you are employed under a collective bargaining agreement, such as members of IBEW Local 569, Local 47, & Local 1245, subject to the Plan's terms. Non-bargaining employees are also eligible to participate.

Q: How do I make contributions?

A: After you submit your completed 401(k) enrollment paperwork, your elected contribution amount will be deducted from your paycheck through payroll.

Q: How much can I contribute?

A: You may elect to contribute up to 100% of your eligible wages, subject to the annual IRS contribution limits and any other applicable Plan restrictions.

For 2026, the regular elective contribution limit is $24,500. This limit may be adjusted by the IRS for cost-of-living increases.

Q: What are catch-up contributions?

A: Catch-up contributions allow eligible participants who are age 50 or older to contribute additional amounts to their 401(k) beyond the regular annual contribution limit, subject to IRS rules and limits.

Q: Are my contributions matched by my employer?

A: No. Employers generally do not make a separate matching contribution to your 401(k) account.

However, there is an exception for Local 569 members who travel outside the area. If pension contributions are reciprocated back to our home Local and the other area's pension contribution rate exceeds the applicable Local 569 pension rate, the excess amount is contributed to your IBEW Local 569 401(k) / Annuity account.

Q: Can I lose the money I contribute?

A: Your contributions are 100% vested and non-forfeitable. However, the value of your account may increase or decrease depending on the investment options you select and their investment performance. Your account may also be reduced by applicable administrative or investment-related expenses.

Q: When can I receive money from my account?

A: You may be eligible to receive a distribution when you satisfy one of the following conditions:

- You reach age 59½ or older. You do not have to terminate employment to request a distribution after reaching age 59½.
- You terminate employment before age 59½ for a reason such as layoff, disability, or another separation from employment with an employer participating in the Plan.

If you are married, spousal consent and notarization may be required, depending on the type of distribution.

Distributions made before age 59½ may be subject to federal taxes and an additional early-distribution tax unless an exception applies. Please refer to the Summary Plan Description (SPD) for additional information about distribution options and requirements.

Q: Can I take a loan from my 401(k) / Annuity account?

A: Yes. You may have one outstanding loan at a time. Please note: You would not actually be taking a loan from yourself. John Hancock is lending you the money using your 401(k) account as security for the loan.

If you default on the loan payments, you may be responsible for late fees and any interest that continues to accrue. The outstanding loan balance may also be treated as a taxable distribution, and you would receive a 1099 for tax purposes**.**

The maximum loan amount is generally the lower of:

- 50% of your vested account balance, or
- $50,000, subject to applicable Plan and IRS rules.

The maximum repayment period is generally 5 years. A loan used to purchase your principal residence may have a longer repayment period, subject to Plan and IRS requirements.

The interest rate is the prime rate plus 1%, and the interest you pay is credited back to your account.

You must apply for a loan through John Hancock at: myplan.johnhancock.com

If you are married, spousal consent and notarization may be required.

Q: Can I take a hardship withdrawal?

A: If you meet the Plan's requirements, you may be eligible for a hardship withdrawal for certain qualifying expenses, including:

- Purchase of your primary residence
- Prevention of eviction or foreclosure of your primary residence
- Tuition and related educational expenses for you, your dependent, or designated beneficiary
- Certain medical expenses for you, your dependent, or designated beneficiary
- Certain expenses to repair or address damage to your primary residence
- Burial or funeral expenses for a dependent or designated beneficiary

Additional eligibility requirements and documentation may apply.

Q: Can I stop or pause my 401(k) deductions?

A: Yes. You may change or stop your 401(k) deductions at any time by completing a 401(k) Change Form with the Trust Office.

Your deductions will stop once the change has been received and processed by your employer's payroll department.

When you are ready to start saving again, simply submit a new Change Form to the Trust Office with the percentage or dollar amount you would like to contribute.

Q: How and where are my funds invested?

A: Once your contributions are deposited into your 401(k) account, John Hancock will provide information on how to access your account online and select your investment options.

You are responsible for selecting how your account is invested from the investment options available under the Plan.

Q: Will I be charged any fees for participating in the Plan?

A: Yes. The Plan has administrative fees based on your account balance.

Account balances of $10,000 or less**:**
The monthly fee is calculated by multiplying your account balance by 0.00125.

Account balances over $10,000:
The annual fee is $270, paid in monthly installments of $22.50.

Fees are subject to change. Please refer to the most current Plan information for applicable fees.

Q: Where can I find enrollment, beneficiary, change, or distribution forms?

A: Forms are available by contacting the Trust Office at **(858) 569-6322 ext. 809** or by visiting:

569trusts.org/401K/plan/

Forms are also available on the wall outside the Trust Office.